MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019

DMG5038 – MANAGEMENT ACCOUNTING

(All sections / Groups)

2 MARCH 2019
2.30 PM - 4.30 PM
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 5 pages with 4 Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Part A

The following information are gathered from Julius Paradise Company, a furniture manufacturer for the year of 2018.

	RM
Sales revenue	885,000
Factory supervisor salary	15,000
Salary of office cleaner	1,200
Utility bills (80% in factory, 20% in office)	12,000
Factory maintenance	20,000
Glue, screws and other small parts used in manufacturing furniture	22,000
Factory insurance	25,000
Factory assembly line workers	30,000
Factory assembly line inspectors	12,000
Advertising expenses	10,000
Marketing expenses	12,000
Raw material purchases	23,000
Factory security guard salary	12,200

The company also prepared the following inventory information:

	Beginning	Ending
	(RM)	(RM)
Finished Goods	12,000	15,000
Raw materials	24,000	27,000
Work in Process	19,000	13,000

Required:

1) Prepare a schedule of cost of goods manufactured for Julius Paradise Company.

(11 Marks)

2) Prepare a statement of Comprehensive Income for Julius Paradise Company for the year ended 2018.

(8 Marks)

Continued...

Part B

The management of Gorgeous Lady believes that their skin care products are establish in the market because of the good teamwork that the management has. The staff are hired based on their experience and skills. In fact, they are being promoted for their good performances and are sent out for training if otherwise. They would make sure that all the plans are properly executed and well-coordinated in order to produce a smooth running operations. Above all the diverse activities, the management team has also look ahead on the objectives and proposed various sturdy strategies to make sure the company is meeting its objectives.

Required:

1) List **THREE (3)** management functions that Gorgeous Lady have implemented.

(3 Marks)

2) Identify **THREE (3)** sentences that refer to the management functions from the above paragraph.

(3 Marks)

[TOTAL 25 MARKS]

QUESTION 2

Final Fantasy Company is preparing its budget for the year 2019. The management provides the following information for budgeting purpose:

Sales: As the company has expanded its business, total sales for the year are expected to increase by quarter according to the percentage as below:

Quarter	
1	5%
2	10%
3	15%
4	20%

The selling price per unit is expected to maintain at RM87 per unit for the first three quarters and RM99 per unit for the last quarter. Total sales in the first quarter 2019 are expected to be 750,000 units and expected to increase to 1,200,000 units in Quarter 1 2020.

Management desires to maintain the ending finished good inventories at 12% of next quarter's budgeted sales volume.

Continued...

Required:

1) Prepare the sales budget of the company by quarter for the year 2019.

(5 Marks)

2) Prepare the production budget for Final Fantasy Company by quarter for the year 2019.

(20 Marks)

[TOTAL 25 MARKS]

QUESTION 3

Part A

Dryfers Company makes baby diapers that sells for RM56 each. For its next year of operation, it has budgeted that fixed costs totaled to RM364,994 while variable costs are expected to be RM27 per unit.

Required:

Compute the followings:

1) Contribution margin per unit.

(2 Marks)

2) Contribution margin ratio.

(2 Marks)

3) Break even point in units using contribution margin method and mathematical equation.

(5 Marks)

4) Break even point in Ringgit Malaysia (RM) using contribution margin method and mathematical equation. (round your answers to the two decimal points).

(2 Marks)

5) Margin of safety in RM and in ratio assuming actual sales are RM2,075,000.

(4 Marks)

6) Sales in Ringgit Malaysia (RM) required if the company desires to earn net income of RM1,600,000.

(2 Marks)

Continued...

Part B

The following information are monthly expenses data for use in analyzing the cost behavior of maintenance costs for Janna Nix Company:

Month	Total Maintenance Costs	Total Machine Hours
January	RM32,750	6,200
February	33,000	14,000
March	33,600	16,000
April	42,500	17,900
May	43,200	25,000
June	55,010	38,000

Required:

Determine variable cost per machine hour and fixed cost for the company using high low method.

(8 Marks)

[TOTAL 25 MARKS]

Continued...

QUESTION 4

Pantone Company manufactures hair shampoo and conditioners specifically designed for hair fall problems. It has developed the following unit standard costs for 2018 for each its 500 ml product:

	Direct Materials	Direct Labor	Manufacturing Overhead
Standard Quantity	1.5 Kilograms	27 minutes	1 hour 30 minutes
Standard Price	RM6.50	RM10.00	RM6.00
Unit Standard Cost	RM9.75	RM4.50	RM9.00

In 2019, the company plan to produce 163,000 units of hair shampoo and conditioners at a level of 80,000 hours of direct labor.

Actual results for 2018 were presented below:
1. Direct materials purchased were 234,000 kilograms of materials which costs RM1,450,800.
2. Direct materials used were 250,000 kilograms of chemical ingredients.
3. Direct labor costs were RM670,230 for 67,700 direct labor hours actually worked.
4. Total manufacturing overhead was RM445,000.
5. Actual production was 163,000 units of hair shampoo and conditioners.

Required:

Compute the following variances:

1. Direct materials price.

(5 Marks)

2. Direct materials quantity.

(5 Marks)

3. Direct labor price.

(5 Marks)

4. Direct labor quantity.

(5 Marks)

5. Total overhead variance.

(5 Marks)

[TOTAL 25 MARKS]

[GRAND TOTAL 100 MARKS]

End of page.